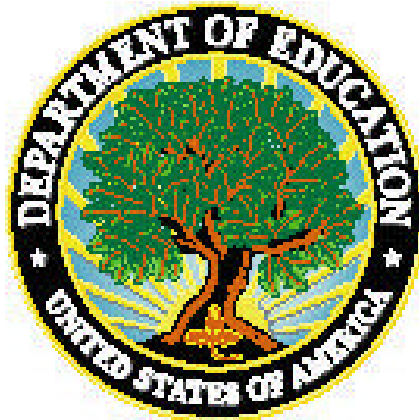


SFA Modernization Partner Project LEGACY CONTRACT TRANSITION PLAN

Virtual Data Center (VDC)



Part 3 Recommendation and Timetable For Transition Plan for VDC

Recommendation:

The VDC contract was competed in a “Full and Open” competition through GSA and a 10-year BPA was awarded to CSC. Since the base VDC contract (the “BPA”) does not expire for another 8 years, no procurement action is necessary immediately. There are no initiatives by the Modernization Partner, which will have any affects on this contract. SFA CIO does plan to migrate to the VDC all remaining Legacy Systems not currently operated at the VDC.

Results of analysis conducted in conjunction with VDC staff revealed that SFA is paying too much for its VDC services. There are 3 basic reasons for this:

1. Lack of consolidation of requirements (MIP’s and DASD’s) for all Legacy Programs operated at the VDC results in higher costs to SFA.
2. There are no discounts offered to SFA on monthly service charges for SFA-provided equipment.
3. By overestimating its usage requirements for MIP’s and DASD’s, SFA is overpays for these resources. SFA pays for full-time availability of these resources rather than for actual usage. Currently actual usage is the “best practices” method used by both commercial and government users.

Recommendations:

In the near-term:

1. All future orders for Legacy Programs migrated to the VDC should be “Service Level” contracts only. There should be no more Government-provided hardware.
2. Reengineer the current Task Orders for Legacy Programs already operated out of the VDC:
 - a. Consolidate TO’s so as to take advantage of the volume discounts for MIP’s and DASD’s.
 - b. Re-examine usage requirements for all Legacy Programs.

In the longer-term:

1. Plan for the retirement of Government-owned equipment, making use of vendor discounts for use of government-owned equipment and having vendors provide equipment in the future.
2. Perform research and analysis into Commercial and Government “Best Practices” to insure that SFA is taking advantage of the “Best Practices”.